

**THE DIRECTOR OF CENTRAL INTELLIGENCE**

WASHINGTON, D. C. 20505

National Intelligence Officers

6 August 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Chairman, National Intelligence Council

FROM:

 Assistant National Intelligence Officer for East Asia

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SUBJECT: 6 August SIG on Micronesia

Issue:

1. This meeting is intended to endorse policy recommendations prepared by the Micronesian IG to move ahead with the negotiations for the Compact of Free Association for the three Micronesian Governments the US currently administers under UN Trusteeship. The Compact was negotiated and initialed under the Carter Administration but not completed in detail nor formally approved by any of the concerned parties. The essence of this effort is to preserve intact the progress in the Status Negotiations over the past five years and not -- as in the case of the Law of the Sea negotiations - have the issue thrown open for reevaluation and possible renegotiation. CIA did not participate in the IG deliberations which formulated the policy recommendations for the SIG.
2. There are no disagreements among the principals with the recommendations contained in the papers and they should be endorsed quickly. Only one significant difference emerged during the course of IG deliberations. Interior insisted that it should be the agency to manage the relationship after the Compact was approved. State, supported by Defense, has disagreed. Even this difference has apparently been overcome. Deputy Secretary Clark reached an agreement with his counterpart at Interior on 5 August that two committees will be established to manage the relationship. The first will, in effect, be a continuation of the IG in that it will be comprised of senior representatives of all the principal agencies involved in the Status Negotiations and chaired by State. The executive agent for this group will be a second committee lodged at State and containing representatives from Interior and other participating agencies. This group will also be chaired by State and be a continuation in the form of the Office of Micronesian Status Negotiations. These arrangements are likely to be discussed at the SIG.

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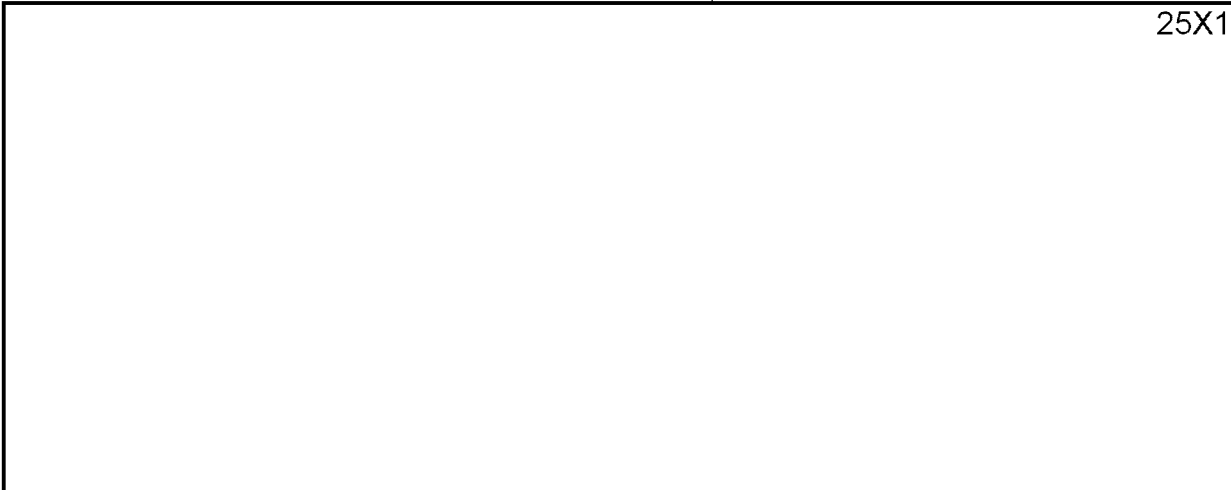
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3. Recommendation - Talking Points

a. Insofar as there are no disagreements on the issues and no intelligence equities directly involved, there is no need for the Agency representative to voice any specific views at the meeting.



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